

**FAIRLINGTON MEWS CONDOMINIUM
COUNCIL OF CO-OWNERS**

POLICY RESOLUTION NO. 10-02

(Insurance Deductible Responsibility)

WHEREAS, Article Twenty-First, Section A of the Corrected Master Deed (“Master Deed”) for the Fairlington Mews Condominium Council of Co-Owners (“Council”) requires the Board of Directors to obtain and maintain at all times, for the benefit of each Family Unit and each Co-Owner, physical damage insurance against loss by fire or other casualty of the Family Units and Common Elements of the Condominium (“master policy”); and

WHEREAS, the master policy contains a deductible provision under the terms of which the amount of each insured loss paid by the insurance carrier, whether in consequence of loss to the common elements or to any Family Unit, is reduced by a deductible amount; and

WHEREAS, Article Twenty-First, Section D of the Corrected Master Deed (“Master Deed”) provides that where the proceeds of insurance are not sufficient to cover repairs to a damaged Family Unit, such excess shall be paid by the Co-Owner(s); and

WHEREAS, Article VI, Section 2(a) of the By-Laws of Fairlington Mews (“By-Laws”) provides that each Co-Owner must promptly perform all maintenance and repair work within his/her Family Unit which, if omitted, would affect the Condominium in whole or in part, and each Co-Owner is expressly responsible for damages and liabilities which may result from failing to do so; and

WHEREAS, Article VI, Section 2(c) of the By-Laws states that a Co-Owner must reimburse the Council for any expenditures incurred in repairing or replacing any common element damaged through his/her fault; and

WHEREAS, Article VI, Section 6(14) of the By-Laws provides that any damage to the buildings, recreational facilities or other common areas or equipment caused by any Co-Owner, his/her tenant, guest, children or pets shall be repaired at the expense of the Co-Owner; and

WHEREAS, the Board previously adopted Policy Resolution No. 94-03 regarding responsibility for insurance deductibles; and

WHEREAS, the Board of Directors, having considered all relevant factors, and based upon its business judgment, has agreed to a master insurance policy for the Council with an insurance deductible charge; and

WHEREAS, the Board of Directors deems it to be in the best interest of the Council to revise the Council's policy with respect to the assessment of uninsured losses, to include the master insurance policy deductible, so that the rules establish a clear means for determining, in each instance of casualty damage, the responsibility for uninsured losses and the insurance responsibilities of the Council and whether any deductible amount will be borne by the Council or specially assessed to the Family Unit or Units from which the cause of a loss originates.

NOW, THEREFORE, BE IT RESOLVED THAT: The following procedures shall apply with respect to the determination whether the deductible amount of each insured loss under the master policy shall be specially assessed to the owner of the unit or units which cause an insured loss to the common elements or to another unit or units:

1. The deductible, if any, under the master policy shall be treated as a common expense for any damages to the Condominium arising from a condition that originated solely from the common elements of the Condominium or due to the act or neglect of the Council.
2. In all other cases, the deductible portion of the master policy shall be allocated among the involved Co-Owner(s) in proportion, as the Board determines, to the damages sustained; however, if the loss occurred (i) as a result of the act, neglect or carelessness of a Co-Owner or (ii) as a result of the failure by a Co-Owner to undertake any of the maintenance or repairs required under the Master Deed, By-Laws, rules and regulations or any statute governing the Condominium, the deductible portion may be assessed against such Co-Owner. Co-Owners shall be held responsible and liable for the act, neglect or carelessness of their families, guests, agents, employees, licensees, lessees or pets.
3. In the event a Co-Owner suffers damage to his/her Family Unit, the Co-Owner must report the damage as soon as possible to the Council's Managing Agent. The Managing Agent will conduct an investigation into the loss to determine the source, the extent of the damage or loss, whether such damage is covered under the Council's insurance policies.
4. In the event of an emergency, the Co-Owner shall also contact the appropriate emergency servicing agency (e.g., gas company, fire department, etc.) and otherwise act to mitigate the damages (e.g., shutting off water supply valves in the Family Unit).
5. The Co-Owner and other affected Co-Owners and tenants shall provide the Managing Agent with the immediate right of entry into the Family Unit(s) to investigate the loss or damage and, in the case of an emergency threatening other Family Units or the common elements, the managing Agent will take or direct immediate action to attempt to stop or minimize the threat.

6. If the damage or loss does not constitute an emergency in which immediate remedial action is needed, the Co-Owner must file with the managing Agent a damage report within three (3) calendar days of the date when the damage occurred.
7. In the case of a dispute between Co-Owners concerning the cause of damages, the causation determination of the Managing Agent shall determine which party is responsible for the payment of all or a portion of the applicable deductible from coverage.
8. If a Co-Owner wishes to appeal any determination of responsibility made by the Managing Agent, the Co-Owner shall have a period of fifteen (15) days from the date of the notice of determination to appeal the determination to the Board of Directors and, if desired, to request in writing a hearing before the Board of Directors.
9. If no appeal is made within the required time period, the Board of Directors will consider the right of the Co-Owner to appeal waived and it shall consider the Managing Agent's determination to be final.
10. The Board of Directors shall review and act upon any timely filed appeal.
11. If the Co-Owner timely requests a hearing before the Board of Directors, written notice of the date, time and place of the hearing shall be provided to the Co-Owner.
12. In the event a hearing is requested and held, the Board shall furnish the Co-Owner written notice of its decision.
13. This Policy Resolution shall supercede and replace any and all previous policy resolutions concerning the establishment of responsibility for the master insurance policy deductible.

FAIRLINGTON MEWS CONDOMINIUM COUNCIL OF CO-OWNERS

RESOLUTIONS ACTION RECORD

Resolution Type Policy No. 10-02

Pertaining to: Insurance Deductible Responsibility

Duly adopted at a meeting of the Board of Directors of the Fairlington Mews Condominium Council of Co-Owners, held March 25, 2010.

Motion by: Ronald E. Patterson Seconded by: Chandra Burnside

Officer	Title	Yes	No	Abstain	Absent
Thomas R. Corbin	President	X			
Seth Low	1 st Vice President	X			
Chandra Burnside	2 nd Vice President	X			
Ronald E. Patterson	Treasurer	X			
Renee Powlette	Secretary	X			

ATTEST:

Renee Powlette
Secretary

March 25, 2010
Date

Resolution Effective: March 25, 2010